

Message Text

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PAGE 01 STATE 010738
ORIGIN AF-08

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 L-03 H-01 SS-15
NSC-05 /080 R

DRAFTED BY AF/W:BSKIRKPATRICK:IW
APPROVED BY AF/W:TWMSMITH
OPIC/ID/MEA:CHMIDDLETON (INFO)
EB/IFD/OIA:DHSTEBBING (INFO)
EB/IFD/ODF:RKAUSLARICH (INFO)
L/AF:MMATHESON (INFO)
AF/EPS:LWHITE (INFO)
EXIM:LGUADAGNOLI (INFO)
-----180253Z 072264 /73

R 172241Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY CONAKRY

C O N F I D E N T I A L STATE 010738

E.O. 11652:GDS

TAGS:EMIN, EINV, PFOR, US, GV

SUBJECT:HALCO/CBG BAUXITE DEVELOPMENTS

REF: CONAKRY 2454, 76 CONAKRY 2373, 76 STATE 288148,
76 CONAKRY 2086, 76 STATE 246647, 76 STATE 220389

1. ON JANUARY 13, HALCO PRESIDENT JACK MILLER, HALCO
GENERAL COUNSEL DOUGLAS BURNS, HALCO VICE PRESIDENT FOR
ADMINISTRATION WILLIAM WHITNEY AND TIMOTHY B. ATKESON OF
STEPTOE AND JOHNSON CALLED ON AF/W (SMITH, HOUDEK AND
KIRKPATRICK) TO INFORM THE DEPARTMENT OF THEIR CONCERN
THAT CBG CHAIRMAN MOUSSA DIAKITE'S REQUIREMENT FOR DUAL
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SIGNATURES BY THE PRESIDENT AND VICE PRESIDENT OF CBG
HAD NOT BEEN RESOLVED. THEY ALSO NOTED THAT AN ADDITIONAL
ISSUE HAD ARISEN WHEN DIAKITE REFUSED TO ACCEPT BURNS
NOMINATION AS ASSISTANT SECRETARY OF CBG, IN AN APPARENT
EFFORT TO AVOID ANY CHALLENGE TO DIAKITE'S PROTEGE MALAY
SANGOURE OCCUPYING THE POSITION OF CBG SECRETARY.

2. THE HALCO REPRESENTATIVES NOTED THAT MINISTER DIAKITE HAD NOT INSISTED ON IMPLEMENTING THE DUAL SIGNATURE REQUIREMENT AND THAT CBG PRESIDENT JACOBS AND CBG VICE PRESIDENT DIOP ARE CURRENTLY WORKING ON A MUTUALLY ACCEPTABLE JOB DESCRIPTION THAT HALCO HOPES THE BOARD WILL

ACCEPT IN FEBRUARY. THEY INDICATED THAT THE QUESTION OF THE SECRETARY'S POSITION WAS MORE A MATTER OF PRINCIPLE THAN OF SUBSTANCE AND THAT BURNS APPOINTMENT, WHILE NOT REVOKED, HAD NOT BEEN INSISTED ON BY HALCO.

3. THE HALCO REPRESENTATIVES BELIEVE THESE ISSUES CAN BE WORKED OUT BUT ARE CONCERNED LEST FAILURE TO RESOLVE THEM RESULT IN A VIOLATION OF THE BASIC AGREEMENT IN WHICH CASE THE FINANCERS OF THE PROJECT, LED BY THE IBRD, COULD DEMAND IMMEDIATE PAYMENT ON THEIR LOANS. THEY HAD PREVIOUSLY INFORMED OPIC OF THE ABOVE DEVELOPMENTS AND WILL NOW INFORM THE WORLD BANK BECAUSE IT IS A KEY LENDER.

4. HALCO SHAREHOLDERS WILL PROBABLY MEET HERE IN WASHINGTON ON FEBRUARY 1 AND 2. AN ADVISORY BOARD MEETING IN GUINEA IS SCHEDULED FOR FEBRUARY 22-23 AND THE FULL CBG BOARD IS EXPECTED TO TAKE UP THESE ISSUES ON MARCH 22-23.

5. THE HALCO REPRESENTATIVES EXPRESSED APPRECIATION FOR THE EMBASSY'S INTEREST IN CBG MATTERS AND PAST ASSISTANCE. THEY INDICATED THAT THEY HAD INTENDED ONLY TO INFORM US OF THIS SITUATION AND DID NOT REPEAT NOT DESIRE ANY INTERVENTION BY THE USG.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: DISPUTES, MANAGEMENT, BAUXITE, MEETINGS, JOINT VENTURES, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE010738
Document Source: CORE
Document Unique ID: 00
Drafter: BSKIRKPATRICK:IW
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770017-0907
Format: TEL
From: STATE
Handling Restrictions: n/a
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f73adbd5-c288-dd11-92da-001cc4696bcc
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